



**COLORADO**

Department of  
Regulatory Agencies

Division of Securities

**NEWS RELEASE**  
**FOR IMMEDIATE RELEASE**

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## **Colorado Securities Commissioner orders Austin Funding to stop selling unregistered securities in Colorado**

DENVER-- Colorado Securities Commissioner Gerald Rome announced that today he entered a final cease and desist order against William Schlapman of Westminster, and his Austin Funding companies, for offering and selling unregistered securities in violation of the Colorado Securities Act and for using investor money to fund his purchase of used car loans from auto dealers.

Schlapman and his five Austin Funding limited liability companies (Fifth Austin Funding, Fourth Austin Funding, etc.) are named in the order.

The Division of Securities, a Department of Regulatory Agencies (DORA) division, alleged that more than 30 investors made multiple investments with Schlapman and his Austin Funding entities to fund car loan contracts purchased from auto dealers at a discount. Once the car loans were purchased with investor monies, Schlapman would receive the car payments for the loans from the car owners. Schlapman told at least one investor that he could expect a 13-to-15 percent return on his investment.

The Lakewood Police Department initiated the investigation into Austin Funding and Schlapman following a complaint from an investor regarding delayed and non-payment of interest on investments in car loan contracts.

"The combination of issuance of a high interest loan to a used car purchaser who may be unable to qualify for a more traditional financing arrangement coupled with strong motivation on the part of the used car seller to sell the car, among other factors, presents clear risks that would have required disclosure to the investor had these securities been registered," said Commissioner Rome.

The cease and desist order, which Schlapman and Austin Funding agreed to, orders the parties to immediately and permanently cease and desist offering or selling any security in or from Colorado in violation of the registration and licensing provisions of the Act or otherwise engaging in conduct in violation of any provision of the Act.

A copy of the order can be obtained by calling the Division at (303) 894-2320.

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